

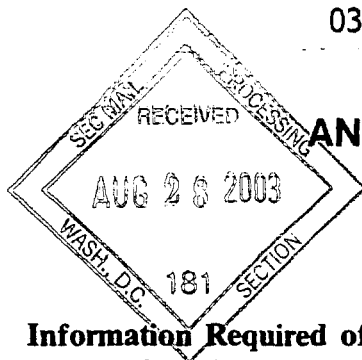


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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

VF 8-29-03AK

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00

SEC FILE NUMBER

8-47749

**FACING PAGE****Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING 07/01/02 AND ENDING 06/30/03  
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

BROCKINGTON SECURITIES INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

2805 VETERANS HIGHWAY

SUITE 1

(No. and Street)

RONKONKOMA

NEW YORK

11779

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

ROBERT DELVECCHIO

631-234-0303

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KOSHERS &amp; COMPANY CPA'S

(Name — if individual, state last, first, middle name)

1094 MERRICK AVENUE

MERRICK

NEW YORK

11566

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

SEP 10 2003

THOMSON  
FINANCIAL

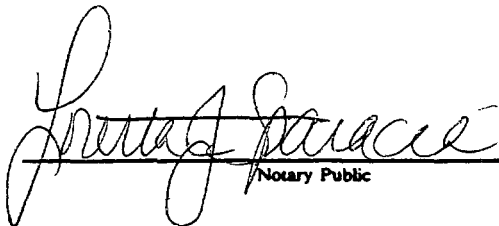
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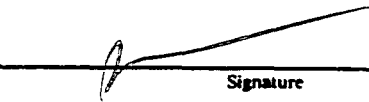
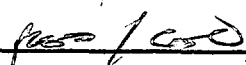
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Robert Delvecchio, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Brockington Securities Inc., as of June 30, 192003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None

  
\_\_\_\_\_  
Notary Public

  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Title

LORETTA J. SPARACIA  
Notary Public - State of New York  
No. 01SP6049037  
Qualified in Suffolk County  
Commission Expires October 2, 2006

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

BROCKINGTON SECURITIES, INC.  
REPORT ON AUDIT OF FINANCIAL STATEMENTS AND  
ADDITIONAL INFORMATION  
JUNE 30, 2003

# KOSHERS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Shareholders  
Brockington Securities Inc.  
2805 Veterans Highway - Ste 1  
Ronkonkoma, New York 11779

STEPHEN KOSHERS, C.P.A.  
MITCHELL H. KOSHERS, C.P.A.

JOSEPH CIPOLLONE, C.P.A.  
BRYAN KOSHERS, C.P.A.

We have audited the accompanying statement of financial condition of Brockington Securities Inc. as of June 30, 2003, and the related statements of operations, changes in stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brockington Securities Inc. at December 31, 2003 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented to comply with the requirements of Rule 17a-5 of the Securities and Exchange Commission and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KOSHERS AND COMPANY, CPA'S

*Koshers & Company*

August 1, 2003  
Merrick, New York

Exhibit A

BROCKINGTON SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 2003

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$40,201
Receivables from Clearing Firm	147,169
Marketable Securities Owned, at Market Value	631,206
Other Assets	40,700

Total Current Assets	859,276
----------------------	---------

FIXED ASSETS - Note B

Fixed Assets Less Accumulated Depreciation of \$113,069.	19,035
---	--------

TOTAL ASSETS	\$ 878,311
--------------	------------

The Accompanying Notes Are An Integral Part  
Of This Financial Statement.

Exhibit A-1

BROCKINGTON SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 2003

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accrued Expenses and Accounts Payable	\$ 102,878
Marketable Securities - Short Positions	1,455
Loan Payable - Stockholder	63,638
	-----
Total Current Liabilities	167,971
	-----

STOCKHOLDERS' EQUITY

Capital Stock, No Par Value, 1500 Shares authorized, 500 Shares issued and outstanding	238,305
Additional Paid In Capital	195,863
Retained Earnings	476,227
Less: Treasury Stock	(200,055)
	-----
Total Stockholders' Equity	710,340
	-----
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 878,311
	=====

The Accompanying Notes Are An Integral Part  
Of This Financial Statement.

## Exhibit B

BROCKINGTON SECURITIES, INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2003

## REVENUES

Commission Income	\$ 112,866
Interest and Dividend Income	3
Trading Gains/(Losses)	393,224
Fee Income	379,200
Other Income	4,314
	-----
Total Revenues	889,607
	-----

## EXPENSES

Trading Expenses	186,022
Officer Compensation	120,000
Employee Compensation - Benefits	145,055
Occupancy	59,392
Communications	15,025
Other Operating Expenses	289,604
	-----
Total Expenses	815,098
	-----

NET INCOME/(LOSS) BEFORE PROVISION FOR INCOME TAXES	74,509
--	--------

PROVISION FOR CORPORATE INCOME TAXES	16,535
--------------------------------------	--------

NET INCOME/(LOSS)	\$ 57,974
	=====

EARNINGS/(LOSS) PER SHARE OF COMMON STOCK	\$ 115.95
	=====

The Accompanying Notes Are An Integral Part  
Of This Financial Statement.

Exhibit C

BROCKINGTON SECURITIES, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED JUNE 30, 2003

	Capital Stock	Retained Earnings	Treasury Stock	Add'l Paid In Capital	Total
	-----	-----	-----	-----	-----
Balances -					
June 30, 2002	\$ 238,305	\$418,253	\$(200,055)	\$ 110,000	\$ 566,503
Additions	-0-	-0-	-0-	85,863	85,863
Net Income /(Loss)	-0-	57,974	-0-	-0-	57,974
	-----	-----	-----	-----	-----
Balances -					
June 30, 2003	\$ 238,305	\$476,227	\$(200,055)	\$ 195,863	\$ 710,340
	=====	=====	=====	=====	=====

The Accompanying Notes Are An Integral Part  
Of This Financial Statement.



Exhibit D

BROCKINGTON SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss)	\$ 57,974
	-----
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:	
Depreciation and Amortization	14,018
(INCREASE)/DECREASE IN	
Receivables from Clearing Firm	(124,296)
Securities Owned	(211,879)
Other Receivables & Assets	27,497
(DECREASE)/INCREASE IN	
Accrued Expenses and Accounts Payable	43,694
Securities Sold, but not yet Purchased	1,380
Loans Payable - Stockholder	63,638
	-----
Total Adjustments	(185,948)
	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	(127,974)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Increase in Fixed Assets	(2,142)
Increase in Additional Paid In Capital	85,863
Abandonment of Fixed Assets	6,924
	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(37,329)
CASH AT BEGINNING OF YEAR	77,530
	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 40,201
	=====

The Accompanying Notes Are An Integral Part  
Of This Financial Statement.

BROCKINGTON SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 1: GENERAL & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Brockington Securities, Inc. (the "Company") was formed in September 15, 1994, in Delaware.

The firm received its independent broker dealer registration on July 7th, 1995 and is currently registered in ten (10) states as well as with the National Association of Securities Dealers (NASD) Securities and Exchange Commission (SEC) and the Municipal Security Rule Making Board (MSRB).

The firm entered into a fully disclosed clearing arrangement with Correspondence Services Corp. Since being registered with the NASD and the MSRB, the firm accepts trades in equity issues. Equity trades are accepted on a fully disclosed basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities transactions are recorded on a settlement date basis with related commission income and expenses also recorded on a settlement date basis.

Securities owned and to be purchased are valued at market value. The resulting differences between cost and market is included in income.

Fixed Assets are capitalized at cost. Depreciation of fixed assets is computed on the straight line method over the useful lives of seven years.

Cash and cash equivalents includes certificates of deposit with maturities of three months or less.

Deferred Taxes arise as a result of recognizing certain items of income and expense in different periods of financial reporting and for income tax purposes. Deferred taxes are provided on such timing differences.

NOTE 2 - EARNINGS PER COMMON SHARE

Earnings per common share was computed by dividing the net income for the period by 500 shares, the weighted average number of shares outstanding.

BROCKINGTON SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 3 - EXEMPTION FROM RULE 15C-3

For Securities and Exchange Commission reporting purposes, computations for the determination of the reserve requirements and information relating to the possession of control requirements under Rule 15C3-3 are not included since the Company carries no customers' accounts.

NOTE 4 - NET CAPITAL REQUIREMENTS

The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities and Exchange Commission, which requires both the maintenance of minimum net capital and the maintenance of a maximum ratio of aggregate indebtedness to net capital. Net capital and aggregate indebtedness change day to day, but by June 30, 2003, the Company's net capital of \$481,119 exceeded the minimum net capital requirement by \$381,119; and the Company's ratio of aggregate indebtedness (\$166,516) to net capital was 34.6%.

NOTE 5 - COMMITMENT AND CONTINGENCIES

The Company leases its office space under a non cancelable operating lease with term in excess of one year. The lease expires October 31, 2005. The lease expense in 2003 was \$ 57872. The future minimum lease payments as of June 30, 2003, until expiration:

June 30, 2004	\$ 24,000
June 30, 2005	24,000
June 30, 2006	8,000
	-----
Total	\$ 56,000
	=====

The Company has maintained cash balances over \$100,000, the Federal Deposit Insurance Corporation's guarantee limit, in certain bank accounts. Under Financial Accounting Standards Board #105 this is an off-balance-sheet risk amount.

NOTE 6 - TREASURY STOCK

During the previous fiscal year The Company purchased the shares of common stock from a shareholder for \$55,650. These shares were retired and put into Treasury Stock.

## Schedule I

BROCKINGTON SECURITIES, INC.  
 COMPUTATION OF NET CAPITAL REQUIREMENTS  
 PURSUANT TO RULE 15c3-1  
 JUNE 30, 2003

## COMPUTATION OF NET CAPITAL

Total Assets	\$ 878,311
Less: Total Liabilities	167,971
	-----
NET WORTH	710,340

## LESS: NON ALLOWABLE ASSETS

Fixed Assets, Net	\$ 19,035
Other Non Allowable Assets	42,972
	-----
	62,007

## TENTATIVE NET CAPITAL

648,333

## HAIRCUTS

167,214

## NET CAPITAL

	-----
	\$ 481,119

## COMPUTATION OF NET CAPITAL REQUIREMENTS

6.67% of Aggregate Indebtedness	\$ 11,101
Minimum Net Capital Requirements	
Minimum Dollar Net Capital	
Required	100,000
	-----

Net Capital Required, Greater of	
Above	100,000

100,000

## EXCESS NET CAPITAL

	-----
	\$381,119
	=====

PERCENTAGE OF AGGREGATE INDEBTEDNESS  
 TO NET CAPITAL

34.6%

=====

\* There were minor differences between the audited and unaudited June 30, 2003 net capital compilations.

See Independent Auditor's Report.

SCHEDULE II

BROCKINGTON SECURITIES, INC.  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
PURSUANT TO RULE 15c3-3  
JUNE 30, 2003

A computation of reserve requirement is not applicable to Brockington Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2).

See Independent Auditor's Report.

SCHEDULE III

BROCKINGTON SECURITIES, INC.  
INFORMATION RELATING TO POSSESSION  
OR CONTROL REQUIREMENTS UNDER RULE 15c3-3  
JUNE 30, 2003

Information relating to possession or control requirements is not applicable to Brockington Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2).

See Independent Auditor's Report.

# KOSHERS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

STEPHEN KOSHERS, C.P.A.  
MITCHELL H. KOSHERS, C.P.A.

JOSEPH CIPOLLONE, C.P.A.  
BRYAN KOSHERS, C.P.A.

Board of Directors  
Brockington Securities, Inc.

In planning and performing our audit of the financial statements of Brockington Securities, Inc. for the year ended June 30, 2003, we considered its internal control structure, for the purpose for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures including tests of compliance with such practices and procedures that we considered relevant to objectives stated in Rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a). We did not review the practices and procedures followed by the Company in complying with the requirements for prompt payment for securities of Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining internal control structure and the practice and procedures referred to in the preceding paragraph in fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and the practices and procedures referred to in the proceeding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguard against loss from

unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles.

Rule 17-5 (g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control that might be material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities that we considered to be material weakness as defined above, except for:

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those internal control structure procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

The foregoing condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of Brockington Securities, Inc. for the year ended June 30, 2003 and this report does not affect our report thereon dated August 1, 2003.



We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that except for the effect, if any, of the condition indicated in the preceding paragraph, the Company's practices and procedures were adequate at June 30, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker/dealers and should not be used for any other purpose.

*Koshers & Company*

August 1, 2003  
Merrick, New York